

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

GEORGE TOWN ASSOCIATES S.A.,

Plaintiff,

v.

ABAKAN, INC. and MESOCOAT, INC.,

Defendants.

Case No. 15-cv-3435 (DLC)

**DECLARATION OF ROBERT W. SEIDEN  
IN SUPPORT OF MOTION FOR TERMINATION OF RECEIVERSHIPS  
UPON APPROVAL OF SATISFACTION OF DEBT**

I, Robert W. Seiden, hereby declare under penalty of perjury as follows:

1. I am the Court-appointed Receiver over Abakan, Inc. ("Abakan") and MesoCoat, Inc. ("MesoCoat") (collectively, "Defendants") in the above-referenced action pursuant to Your Honor's Orders dated August 18 and September 24, 2015, respectively. I make this declaration in support of the Motion by George Town Associates S.A. ("George Town") for Termination of Receiverships upon Approval of Satisfaction of Debt. (Dkt. 215).

2. I have reviewed the terms of George Town's proposed Satisfaction and Assignment Agreement by which the face value of \$4,985,932.03 in Defendants' secured and senior unsecured debt of two judgment creditors would be satisfied in exchange for certain of Defendants' assets, and upon which the receiverships would be terminated, subject to court approval. A true and correct copy of the proposed Satisfaction and Assignment Agreement is annexed as Exhibit A to the Declaration of Douglas Gross of November 3, 2015. (Dkt. 217-1).

3. I have also reviewed the proposals from Liquid Metal Coatings LLC ("LMC"), which was sent to me via email and annexed as Exhibit A and Exhibit B to the Declaration of Robert Miller of October 27, 2015. (Dkt. 203-1, 203-2), and I exchanged follow up emails, and

had a conference with, the chairman of LMC. I also received today, November 4<sup>th</sup> 2015, a document entitled "Letter of Intent" provided by Jiangxi Hengda Group of China. This letter was described as not being a formal offer and did not address the senior secured positions of existing creditors as a condition precedent to any proposed deal.

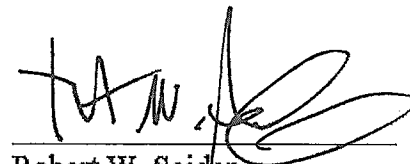
4. I requested and have obtained an independent valuation report of MesoCoat's assets from Citrin Cooperman & Company, LLP (the "Independent Valuation Report"), a true and correct of which is annexed as Exhibit B to the Declaration of Douglas Gross of November 3, 2015. (Dkt. 217-2). This independent report concludes that the value of MesoCoat totals \$3,584,107 as of August 31, 2015. *Id.*

5. Upon review of the Independent Valuation Report and in the exercise of my business judgment, based on the facts and circumstances presently before me, I believe George Town's proposed Satisfaction and Assignment Agreement is for fair value and is the best non-conditional offer currently pending.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 4, 2015

By:

  
Robert W. Seiden